

## HCS SCS SB 625 -- RETIREMENT

This bill changes the laws regarding retirement benefits for members of the County Employees' Retirement System, Missouri State Employees' Retirement System, and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System.

### COUNTY EMPLOYEES' RETIREMENT SYSTEM (Sections 50.1130 and 50.1140, RSMo)

The bill specifies that an active member of the County Employees' Retirement System who dies after December 31, 2002, before becoming vested will receive a death benefit of \$10,000 and the amount equal to the member's accumulated contributions standing to his or her credit in the County Employees' Retirement Fund.

### TRANSFER OF CREDITABLE SERVICE FOR CERTAIN STATE RETIREMENT SYSTEMS (Section 104.603)

Currently, when an employee transfers service between the Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System, the value of the employee's accrued benefits is transferred as well. The bill revises the computation of the accrued benefit to exclude any amount for previously transferred service that was not subject to asset transfer. Any prior payment, including interest, that should have been excluded must be returned by the receiving system.

### REFUND OF EMPLOYEE CONTRIBUTIONS TO MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM (Section 104.1091)

Currently, an employee hired after January 1, 2011, and covered under the Missouri State Employees' Retirement System must contribute 4% of his or her salary into the system. If a member leaves the system before becoming eligible for normal retirement, his or her contributions are refunded with interest at the rate of 4% per year. The bill specifies that effective June 30, 2014, and each June 30 thereafter, the interest rate must be equal to the investment rate that is published by the United States Department of Treasury, or its successor agency, for a 52-week treasury bill for the relevant auction that is nearest to the preceding July 1 or a successor treasury bill investment rate as approved by the system's board if the 52-week treasury bill is no longer issued.

Currently, the beneficiary of any member who made contributions into the system will, upon the member's death, receive a refund of the contribution less any retirement benefits received by the

member. The bill includes the interest credited to the member's contributions in the refund. Interest credited to the contributions will cease upon the retirement or death of the member.